

Message Text

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ACTION EB-08

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FM AMEMBASSY LA PAZ
TO SECSTATE WASHDC 697

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E.O. 11652: N/A
TAGS: ETRD, BEXP, BL
SUBJ: INTERAGENCY TASK FORCE TO DEVELOP A NATIONAL EXPORT
POLICY

REF: STATE 95673

1. THE FOLLOWING OBSERVATIONS SUMMARIZE EMBASSY VIEWS ON MEASURES
THAT COULD BE TAKEN TO IMPROVE THE POSITION OF US IMPORTERS IN
THE BOLIVIAN MARKET. FOR THE SAKE OF CLARITY, SUGGESTIONS ARE
DIVIDED ACCORDING TO THE USG AGENCY TO WHICH THEY PERTAIN.

2. EX-IM BANK

A. A VISIT TO BOLIVIA BY AN EXIM DELEGATION HEADED BY A SENIOR
OFFICIAL, PERHAPS THE VICE PRESIDENT FOR LATIN AMERICA, FOLLOWING
BOLIVIA'S JULY ELECTION, COULD BE USED TO OPEN UP CONTACT
WITH NEWLY-APPOINTED OFFICIALS IN THE PUBLIC CORPORATIONS AND IN
THE REGIONAL DEVELOPMENT CORPORATIONS. THESE TWO TYPES OF
PURCHASERS COMPRISE MORE THAN 50 PERCENT OF THE BOLIVIAN MARKET,
AND THEY HAVE TRADITIONALLY BEEN SKEPTICAL OF EXIM'S
COMPETITIVENESS AND OF ITS INTEREST IN DOING BUSINESS IN BOLIVIA.

B. EXIM'S CFF CREDIT LINES SHOULD BE MADE SIMPLER TO USE AND
THE LENGTH OF TIME REQUIRED TO ACT ON A LOAN REQUEST SHOULD
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BE GREATLY SHORTENED. THESE CREDITS, AIMED AT SMALL TO MEDIUM
SIZED TRANSACTIONS, COULD BE EXTREMELY USEFUL TO US EXPORTERS
IN THIS MARKET.

C. EXIM SHOULD CONSIDER EXPANDING ITS SERVICES TO INCLUDE
ASSISTANCE TO POTENTIAL BORROWERS IN THE DEVELOPMENT OF SOME
PROJECT PROPOSALS. PARTICULARLY IN A DEVELOPING COUNTRY SUCH

AS BOLIVIA, THIS WOULD IMPROVE THE QUALITY OF THE PROJECTS, THEREBY LOWERING THE RISK OF THE LOAN, WHILE INCREASING THE PROBABILITY THAT THE EVENTUAL EXPORTS WOULD BE FROM THE US.

D. AN EXIM REPRESENTATIVE SHOULD ATTEND WORLD BANK CONSULTATIVE GROUP MEETINGS HELD TO DISCUSS BOLIVIA. WE UNDERSTAND THAT THE NEXT MEETING WILL BE HELD IN WASHINGTON AND WE WILL ADVISE THE BANK WELL IN ADVANCE OF THE DATES.

3. COMMERCE DEPARTMENT

A. WE WOULD LIKE TO SEE A SERIES OF TRADE MISSIONS ORGANIZED WITH DEVELOPING MARKETS IN MIND. THEY MIGHT FEATURE SUCH PRODUCTS OR SERVICES AS SIMPLE CONSTRUCTION TECHNIQUES AND EQUIPMENT ESPECIALLY FOR USE IN RURAL AREAS; RURAL TELECOMMUNICATIONS SYSTEMS; LOW-COST HOUSING CONSTRUCTION FOR URBAN AREAS USING LOCALLY AVAILABLE MATERIALS, ETC. THE MINING AND CONSTRUCTION EQUIPMENT MISSION WHICH VISITED LATIN AMERICA IN 1977, WE UNDERSTAND, HAD THE HIGHEST SALES IN BOLIVIA OF ANY COUNTRY VISITED. OTHER TRADE MISSIONS MIGHT ALSO BE SURPRISED AT THE POTENTIAL OF THE BOLIVIAN MARKET.

B. IN OUR VIEW, BOLIVIA ALSO LENDS ITSELF TO THE USE OF SOME NEW APPROACHES TO TRADE PROMOTION SUCH AS COMBINATION VTR/CATALOG PRESENTATIONS. SHOWS OF THIS KIND, USING VTR TAPES THAT DEMONSTRATE EQUIPMENT IN OPERATION, AND WHICH ARE ACCOMPANIED BY A USDOC INDUSTRY EXPERT, COULD EASILY BE USED IN UNCLASSIFIED

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ALL OF BOLIVIA'S MAJOR CITIES.

C. WE HOPE THAT USDOC, THE DEPARTMENT OF STATE, EXIM AND OPIC WOULD BE PREPARED TO COOPERATE IN HELPING A BOLIVIAN MISSION SEARCHING FOR US INVESTORS ARRANGE A PROGRAM OF VISITS IN THE US. WE HAVE DISCUSSED THE MISSION IN TENTATIVE TERMS WITH BOLIVIAN OFFICIALS, WHO HAVE EXPRESSED INTEREST IN ORGANIZING A TRIP OF THIS KIND (AT NO COST TO THE USG) FOLLOWING THE JULY ELECTIONS. WE HAVE ALSO ENLISTED THE SUPPORT OF THE AMERICAN CHAMBER OF COMMERCE IN BOLIVIA, WHICH THROUGH THE AMERICAN CHAMBER OF COMMERCE IN THE US, COULD HELP ARRANGE PRESENTATIONS BY THE BOLIVIAN DELEGATION TO APPROPRIATE BUSINESS AUDIENCES.

D. USDOC COUNTRY SPECIALISTS SHOULD EXPLORE THE FEASIBILITY OF MAINTAINING CLOSER CONTACTS WITH THE BOLIVIAN EMBASSY IN WASHINGTON, WITH AN EYE TO ASSISTING EMBASSY PERSONNEL WHO OFTEN ACT AS EITHER PURCHASERS FOR GOVERNMENT CORPORATIONS, OR AT LEAST AS QUOTE SCOUTS UNQUOTE FOR THESE BUYERS. OUR IMPRESSION IS THAT MANY OF THESE PERSONNEL KNOW LITTLE OF THE US MARKET AND THAT THEIR LACK OF EXPERIENCE MAY COST US EXPORTS SALES.

4. ICA

A. FUNDS SHOULD BE PROVIDED TO ALLOW ICA TO OFFER GRANTS TO YOUNG BOLIVIAN BUSINESSMEN AND GOVERNMENT OFFICIALS FOR TWO-YEAR COURSES OF UNIVERSITY STUDY IN BUSINESS AND PUBLIC ADMINISTRATION.

B. ADDITIONAL INTERNATIONAL VISITOR GRANTS SHOULD BE MADE AVAILABLE TO SUPPORT THE COMMERCIAL PROGRAM;E.G., BY SPONSORING THE VISITS OF KEY PUBLIC OFFICIALS AND MAJOR PRIVATE BUSINESSMEN TO THE US TO VIEW PROJECTS RELEVANT TO THEIR AREAS OF RESPONSIBILITY AND TO OFFER THEM THE OPPORTUNITY TO MEET AND EXCHANGE IDEAS WITH THEIR COUNTERPARTS IN THE US PUBLIC AND PRIVATE SECTOR.

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5. IN ADDITION TO NEGOTIATING A GENTLEMEN'S AGREEMENT ON INTEREST RATES OFFERED BY GOVERNMENT EXPORT PROMOTION BANKS, WE BELIEVE THE USG SHOULD PRESS FOR EFFECTIVE INTERNATIONAL STANDARDS OF CONDUCT REGARDING ILLEGAL PAYMENTS, AT LEAST IN TRANSACTIONS FINANCED BY OFFICIAL CREDIT INSTITUTIONS.

6. FINANCIAL SUPPORT FOR COMMERCIAL ACTIVITIES
IF OUR PROPOSALS FOR ALTERATIONS OF THE EMBASSY ARE APPROVED IN WASHINGTON, THE COMMERCIAL SECTION WILL BE MOVED TO THE BUILDING'S SECOND FLOOR, AN AREA MORE EASILY ACCESSIBLE TO THE BUSINESS PUBLIC. THE COMMERCIAL PROGRAM COULD BE GREATLY STRENGTHENED AT THIS TIME BY COMMITMENT OF ADDITIONAL RESOURCES TO EXPANSION AND IMPROVEMENT OF THE COMMERCIAL LIBRARY, AND TO THE CONVERSION OF OUR SECRETARIAL POSITION FROM A CONTRACT TO A FULL-TIME POSITION. ALTHOUGH THE PRESENT SECRETARY WORKS 39 HOURS PER WEEK, SHE MAY WELL LEAVE, AS DID HER PREDECESSOR, FOR EMPLOYMENT THAT OFFERS HER MORE SECURITY AND BETTER BENEFITS.

EACH CHANGE OF PERSONNEL IN THIS POSITION NECESSARILY REDUCES
OUR EFFICIENCY FOR AN EXTENDED PERIOD OF TIME, AND OUR ABILITY
TO ATTRACT QUALIFIED APPLICANTS FOR THE JOB IS LIMITED BECAUSE WE
CANNOT OFFER FULL TIME EMPLOYMENT WITH THE BENEFITS THAT
ARE AVAILABLE TO A PERMANENT EMPLOYEE.

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